

September 18, 1934.

It appears that the Yale Oil Corporation is a foreign corporation authorized to do business in the State of Montana. It operates a large oil refinery at or near the city of Billings in which is processed crude oil produced in Montana and elsewhere and purchased and transported by it. Each month, on a certain day, it furnishes the Oil Conservation Board with a statement which shows the quantity of crude oil produced in Montana and treated at its plant during the preceding month. It has refused, however, to give the board information regarding the quantity of crude oil which is produced outside the State of Montana and treated at its plant, though requested so to do. You now desire to know what information the board is entitled to exact from this concern under the law.

Chapter 18, Laws of Extraordinary Session 1933, created the Oil Conservation Board, consisting of five members. (Sec. 2) It is given "general control, regulation and supervision of the production, transportation and storage of crude petroleum within the State of Montana." (Subd. 1, Sec. 9) It shall "require each and every producer, transporter, dealer in and/or storer of crude petroleum within the state to furnish monthly, at least, and oftener if required by the board, any and all information and reports to said board on such forms as it may prescribe and within the time specified by the board, regarding any and all of the activities of such producer, transporter, dealer in and/or storer with respect to his said operations." (Subd. 4, Id.) It "shall likewise have the power to require owners and/or operators of any storage and/or transportation facilities of crude petroleum in this state to make and file such sworn statements regarding the same and quantity and quality of the crude petroleum in storage and/or transportation of crude petroleum in such manner and to such extent and at such time as shall be prescribed by said board by rules and regulations or by specified order in the performance of its duties under this Act." (Par. 2, Sec. 10.)

The statute seems to be a valid exercise of the police power of the state. (Gas Products Co. v. Rankin, 63 Mont. 372; C. C. Julian Co. v. Capshaw, 292

Opinion No. 614

**Oil and Gas—Oil Conservation Board
—Crude Oil, Statement of Imports
—Foreign Corporation
—Refineries.**

HELD: The Oil Conservation Board has the power to require the producer of or dealer in crude oil within the state to furnish it with a monthly report of his activities in that behalf; and has the power to require the transporter or storer of crude oil within the state, irrespective of the place from whence it came, to furnish it with a monthly report of his activities in that behalf.

That the concern in question is a foreign corporation, engaged partly in interstate commerce, does not alter the situation.

The Act does not authorize the Board to demand a statement showing the quantity of crude oil refined in a plant during any given period.

Pac. 841; 12 C. J. 1157, et seq.) The quoted parts of it are broad and reasonably clear. I think they not only vest the board with power to require the producer of, or dealer in, crude oil within the state to furnish it with a monthly report of his activities in that behalf, but that they also vest the board with power to require the transporter or storer of crude oil within the state, irrespective of the place from whence it came, to furnish it with a monthly report of his activities in that behalf. There cannot be much doubt that this is so when it is remembered that the statute was primarily passed with the view of preventing over-production, resulting in great waste, of crude oil in the state. Without adequate knowledge of the amount of crude oil regularly brought into the state for commercial purposes the board would occupy a sorry position in its efforts to conserve this vital product of our own soil. The intention of the legislature must be given effect whenever possible. (*Conley v. Conley*, 92 Mont. 425; *Converse v. Northern Pac. Ry. Co.*, 2 Fed. (2d) 959; 59 C. J. 948.)

That the concern in question is a foreign corporation engaged partly in interstate commerce does not alter the situation. The law applies to all alike and does not in any way attempt to interfere with or regulate interstate commerce. So far as interstate shipments are concerned it merely requires the corporation and others similarly circumstanced to give the board, at its direction, definite information regarding crude oil which has come to a state of rest in this jurisdiction. The legislature could properly enact such a law. (*State v. Sunburst Refining Co.*, 73 Mont. 68; *Gallatin N. G. Co. v. Public Service Com.*, 79 Mont. 269; *Lewis v. Northern Pac. Ry. Co.*, 36 Mont. 207; 1 *Thompson on Corporations*, sec. 465; 3 *Thompson on Corporations*, sec. 1895; 17 *Fletcher's Cyclopaedia Corporations*, sec. 8453.)

I find nothing in the statute which would justify the board in demanding of the Yale Oil Corporation a statement showing the quantity of crude oil refined in its plant during any given period. Statistics relating to the activities of oil refineries are not covered by the Act.